

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 1365 CS Florida Healthy Kids Corporation Act  
**SPONSOR(S):** Davis, M. and others  
**TIED BILLS:** None. **IDEN./SIM. BILLS:** SB 2050

---

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Future of Florida's Families Committee	6 Y, 0 N, w/CS	Davis	Collins
2) Health Care Appropriations Committee	14 Y, 0 N, w/CS	Speir	Massengale
3) Health & Families Council	9 Y, 0 N, w/CS	Davis	Moore
4) _____	_____	_____	_____
5) _____	_____	_____	_____

---

### SUMMARY ANALYSIS

House Bill 1365 CS does the following:

- Allows children to have 12-months of continuous eligibility in the KidCare program even when switching from one component to another.
- Allows children whose family income exceeds 200% of the Federal Poverty Level (FPL) to participate in Medikids or the Florida Healthy Kids Program.
- Allows health and dental plans participating in the KidCare Program to market the program.
- Allows the Florida Healthy Kids Corporation to release certain information concerning a child's application to parents or legal guardians of the child.

This bill does not have a fiscal impact.

The bill shall take effect on July 1, 2006.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

**Empower Families** — Allows 12-months of continuous eligibility in the KidCare program.

#### B. EFFECT OF PROPOSED CHANGES:

The Legislature created Florida's KidCare program during the 1998 Legislative Session, in response to passage of Title XXI of the Social Security Act, to make affordable health insurance available to previously uninsured, low-income children. The KidCare program components are Medicaid, Medikids, the Florida Healthy Kids program, and the Children's Medical Services (CMS) Network. Children will transfer between components as a result of changes in family income and age of the child.

Medicaid is governed pursuant to Title XIX of the Social Security Act. The Department of Children and Families (DCF) determines a child's eligibility for Medicaid using federal eligibility requirements. When a child applies for Medicaid, DCF does not require enrollees to provide the documents required by state law for eligibility in the KidCare program.

Medikids and the Florida Healthy Kids program are administered by the Florida Healthy Kids Corporation (FHKC). FHKC determines a child's eligibility for Medikids and the Florida Healthy Kids program using the eligibility requirements for KidCare found in s. 409.814, F.S.

Section 409.814, F.S., states that once a child is enrolled in the Florida KidCare program, the child is eligible for coverage under the program for 12 months without a redetermination or reverification of eligibility. However, despite this statutory direction, FHKC verifies a child's eligibility for Medikids or the Florida Healthy Kids program when a child switches to these programs from Medicaid even if the child is switching before the enrollment anniversary date.

FHKC does this because DCF has not collected the documentation required by s. 409.814, F.S. The documents are proof of family income and a statement from all family members concerning employer sponsored insurance. As a result, some children switching between components lose coverage when the documents are not provided to FHKC. This bill adds language to ensure that administrators allow 12-months of continuous eligibility in the KidCare program even when a child enters a new component.

Section 409.821, F.S., states that information regarding a child in the KidCare program is confidential and may be released only with the written consent of the program applicant. The applicant is either the guardian or the parent of the enrollee. As a result of this statute, FHKC is not releasing information concerning a child to non-custodial parents when they receive such a request. This bill amends the law to allow administrators to release information to an enrollee's parent or legal guardian that confirms coverage and dates of coverage.

Plans providing services to KidCare enrollees often market and promote the KidCare program. They do this with the approval of the KidCare administrators. Some plans are concerned that there could be problems with their activities since the KidCare statute does not address these activities. This bill amends s. 624.91, F.S., to allow health and dental plans to market and promote the KidCare program.

C. SECTION DIRECTORY:

**Section 1.** Amends s. 409.814, F.S., ensuring that children receive 12-months of continuous eligibility in the KidCare program even when switching program components.

**Section 2.** Amends s. 409.818, F.S., providing for the administration of the eligibility application process.

**Section 3.** Amends s. 409.821, F.S., allowing administrators to release certain information concerning a child's application to parents or legal guardians of the child.

**Section 4.** Amends s. 624.91, F.S., authorizing participating health and dental plans to develop marketing and other promotional materials and to participate in activities to promote the Florida KidCare program.

**Section 5.** Provides that the Agency for Health Care Administration shall begin enrollment under the KidCare program by July 1, 2006.

**Section 6.** Provides an effective date of July 1, 2006.

**II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

### III. COMMENTS

#### A. CONSTITUTIONAL ISSUES:

##### 1. Applicability of Municipality/County Mandates Provision:

The bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds. The bill does not reduce the percentage of a state tax shared with counties or municipalities. The bill does not reduce the authority that municipalities have to raise revenue.

##### 2. Other:

None.

#### B. RULE-MAKING AUTHORITY:

None.

#### C. DRAFTING ISSUES OR OTHER COMMENTS:

There is a conflict in the Florida Statutes governing continuous eligibility in Medicaid and KidCare. Section 409.813, F.S., states that Medicaid is a component of KidCare. Section 409.814 (6), F.S., states that children will have 12 months of continuous eligibility in the KidCare program. Section 409.904 (6), F.S., states that children enrolled in Medicaid will be continuously eligible for 12 months if they are under age 5, and for 6 months if they are age 5 and older.

### IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

On April 5, 2006, the Future of Florida's Families committee adopted a Committee Substitute to House Bill 1365. The substantive changes made in the committee substitute include changing provisions related to the maximum income threshold in the Florida KidCare program and revising provisions relating to the Florida Healthy Kids Corporation.

On April 17, 2006, the Health Care Appropriations Committee adopted a strike-all amendment to House Bill 1365 CS. The strike-all did the following:

- Allows that 12-months of continuous eligibility applies when switching KidCare components.
- Allows KidCare administrators to release certain information concerning a child's application to parents or legal guardians of the child.
- Allows participating health and dental plans to develop marketing and other promotional materials and participate in activities, such as health fairs and public events, as approved by the Agency for Health Care Administration.

The committee favorably reported a committee substitute, and this analysis is drafted to the committee substitute.

On April 20, 2006, the Health and Families Council adopted a strike all amendment to HB 1365 CS and reported the bill favorably as a Council Substitute. The substantive changes include:

- Allows a child whose family income exceeds 200 percent of the federal poverty level to participate in the Medikids program, which serves children age 1-4, or if the child is ineligible for the Medikids program due to age to participate in the Florida Healthy Kids program, if the family pays the entire cost of the premium, including administrative costs, and such enrollees do not

exceed 10 percent of total enrollees in either the Medikids program or the Florida Healthy Kids program.

- Clarifies that twelve months of continuous eligibility applies even when children are switching from one component of the KidCare program to another. This will allow for seamless transitions from Medicaid to Medikids, Healthy Kids, and Children's Medical Services, for example, as long as the family continues to pay the applicable premium.
- Directs the Department of Children and Families to provide specific information to the Healthy Kids Corporation when they are transferring files on children who have lost their Medicaid coverage due to income. This is necessary to facilitate continuous eligibility when changing program components.
- Provides that an enrollee's parent or legal guardian can obtain confirmation of coverage and dates of coverage from the KidCare program.
- Provides a technical change transferring the section from allowing participating health and dental plans to develop marketing and other promotional materials and allowing them to contact their enrollees and former enrollees to encourage continued participation in the Florida KidCare program from the Medicaid section of the Florida KidCare program to the Healthy Kids section of the Florida program.

This analysis is drafted to the Council Substitute.